

ASSEMBLY BILL

No. 2189

Introduced by Assembly Member Blakeslee

February 22, 2006

An act to amend Section 399.12 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2189, as introduced, Blakeslee. Energy: renewable energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act imposes various duties and responsibilities on the commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, community choice aggregators, and electric service providers, but not including local publicly owned electric utilities, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard). The renewables portfolio standard requires each electrical corporation to increase its total procurement of eligible renewable energy resources by at least an additional 1% of retail sales per year over its baseline amount so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017. Pursuant to the existing definition of an “eligible renewable energy

resource,” the electricity generated by a small hydroelectric generation facility of 30 megawatts or less procured or owned by an electrical corporation as of January 1, 2003, is eligible only for purposes of establishing the baseline of renewable energy resources procured by the electrical corporation and not for purposes of meeting the renewables portfolio standard.

This bill would make the incremental amount of electricity generated by an existing small hydroelectric generation facility resulting from efficiency improvements at the facility undertaken after January 1, 2003, eligible to meet the renewables portfolio standard. The bill would provide that a small hydroelectric generation facility that is an eligible renewable energy resource retain eligibility if, as a result of efficiency improvements at the facility undertaken after January 1, 2003, the peak generating capacity of the facility exceeds 30 megawatts. The bill would make other technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 399.12 of the Public Utilities Code is
2 amended to read:
3 399.12. For purposes of this article, the following terms have
4 the following meanings:
5 (a) “Eligible renewable energy resource” means an electric
6 generating facility that ~~is one of the following~~ meets the
7 definition of “in-state renewable electricity generation facility”
8 in Section 25741 of the Public Resources Code, subject to the
9 following conditions:
10 ~~(1) The facility meets the definition of “in-state renewable~~
11 ~~electricity generation facility” in Section 25741 of the Public~~
12 ~~Resources Code.~~
13 (2)
14 (1) A geothermal generation facility originally commencing
15 operation prior to September 26, 1996, shall be eligible for
16 purposes of adjusting a retail seller’s baseline quantity of eligible
17 renewable energy resources except for ~~output~~ electricity certified
18 as incremental geothermal production by the Energy
19 Commission, ~~provided that if the incremental output~~ electricity

1 was not sold to an electrical corporation under contract entered
2 into prior to September 26, 1996. For each facility seeking
3 certification, the Energy Commission shall determine historical
4 production trends and establish criteria for measuring
5 incremental geothermal production that recognizes the declining
6 *geothermal* output of existing steamfields and the contribution of
7 capital investments in the facility or wellfield.

8 ~~(3) The output of a~~

9 (2) *The electricity generated by an existing small hydroelectric*
10 *generation facility of 30 megawatts or less peak generating*
11 *capacity that is procured or owned by an electrical corporation as*
12 ~~*of the date of enactment of this article a retail seller as of*~~
13 *January 1, 2003, shall be eligible—only for purposes of*
14 *establishing the baseline of an electrical corporation pursuant to*
15 ~~*paragraph (3) of subdivision (a) of Section 399.15 the retail*~~
16 *seller pursuant to this article. The incremental amount of*
17 *electricity generated by an existing small hydroelectric*
18 *generation facility resulting from efficiency improvements at the*
19 *facility undertaken after January 1, 2003, is eligible to meet the*
20 *renewables portfolio standard. A small hydroelectric generation*
21 *facility that is an eligible renewable energy resource shall retain*
22 *eligibility if, as a result of efficiency improvements at the facility*
23 *undertaken after January 1, 2003, the peak generating capacity*
24 *of the facility exceeds 30 megawatts. A new hydroelectric facility*
25 *is not an eligible renewable energy resource if it will require a*
26 *new or increased appropriation or diversion of water under Part 2*
27 *(commencing with Section 1200) of Division 2 of the Water*
28 *Code.*

29 ~~(4)~~

30 (3) A facility engaged in the combustion of municipal solid
31 waste shall not be considered an eligible renewable resource
32 unless it is located in Stanislaus County and was operational
33 prior to September 26, 1996. ~~Output from such facilities~~
34 *Electricity generated by a facility meeting these requirements*
35 *shall be eligible only for the purpose of adjusting a retail seller's*
36 *baseline quantity of eligible renewable energy resources.*

37 (b) "Energy Commission" means the State Energy Resources
38 Conservation and Development Commission.

39 (c) "Retail seller" means an entity engaged in the retail sale of
40 electricity to end-use customers, including any of the following:

1 (1) An electrical corporation, as defined in Section 218.

2 (2) A community choice aggregator. The commission shall
3 institute a rulemaking to determine the manner in which a
4 community choice aggregator will participate in the renewables
5 portfolio standard subject to the same terms and conditions
6 applicable to an electrical corporation.

7 (3) An electric service provider, as defined in Section 218.3
8 subject to the following conditions:

9 (A) An electric service provider shall be considered a retail
10 seller under this article for sales to any customer acquiring
11 service after January 1, 2003.

12 (B) An electric service provider shall be considered a retail
13 seller under this article for sales to all its customers beginning on
14 the earlier of January 1, 2006, or the date on which a contract
15 between an electric service provider and a retail customer
16 expires. Nothing in this subdivision may require an electric
17 service provider to disclose the terms of the contract to the
18 commission.

19 (C) The commission shall institute a rulemaking to determine
20 the manner in which electric service providers will participate in
21 the renewables portfolio standard *program*. The electric service
22 provider shall be subject to the same terms and conditions
23 applicable to an electrical corporation pursuant to this article.
24 Nothing in this paragraph shall impair a contract entered into
25 between an electric service provider and a retail customer prior to
26 the suspension of direct access by the commission pursuant to
27 Section 80110 of the Water Code.

28 (4) “Retail seller” does not include any of the following:

29 (A) A corporation or person employing cogeneration
30 technology or producing ~~power~~ *electricity* consistent with
31 subdivision (b) of Section 218.

32 (B) The Department of Water Resources acting in its capacity
33 pursuant to Division 27 (commencing with Section 80000) of the
34 Water Code.

35 (C) A local publicly owned ~~electrical~~ *electric* utility as defined
36 in subdivision (d) of Section 9604.

37 (d) “Renewables portfolio standard” means the specified
38 percentage of electricity generated by eligible renewable energy

- 1 resources that a retail seller is required to procure pursuant to
- 2 ~~Sections 399.13 and 399.15~~ *this article*.

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